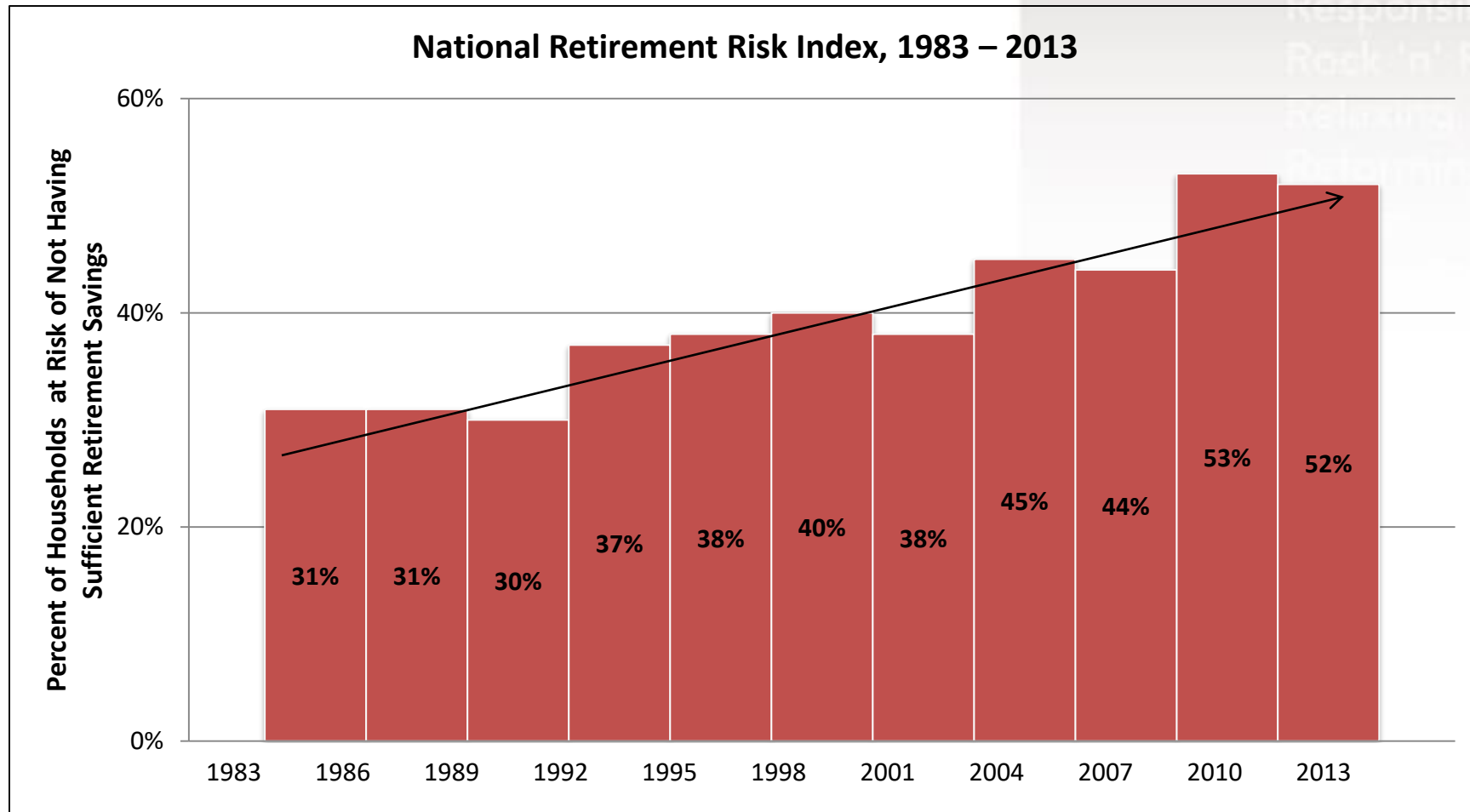


North Carolina's Financial Security Gap in Retirement



Risk of Financial Insecurity in Retirement on the Rise



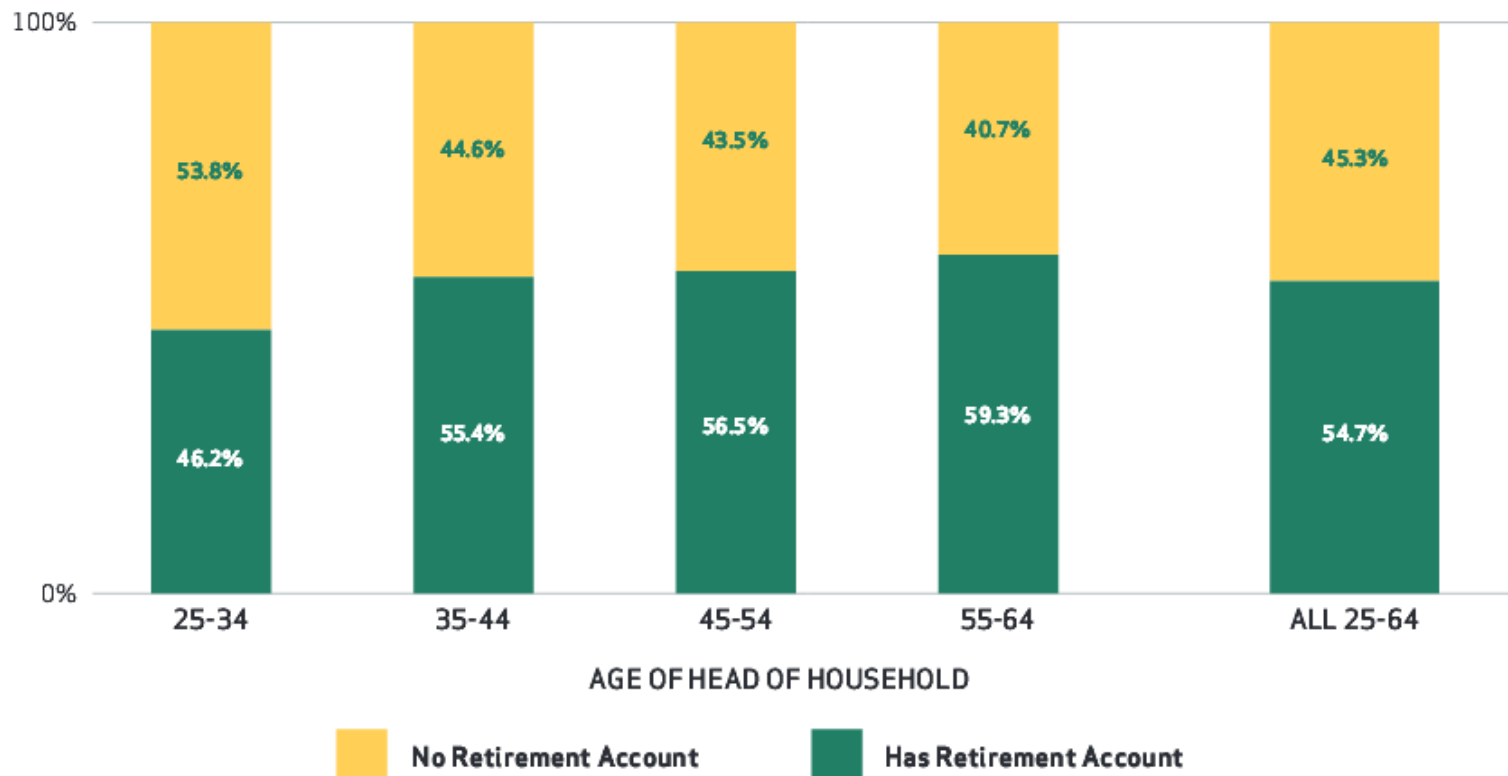
Source: Center for Retirement Research, National Retirement Risk Index

Almost Half of all Households Have NO Assets Saved for Retirement

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Figure 5: **Over 45 Percent of all Working-Age Households Do Not Own Assets in a Retirement Account**

Household retirement account ownership by age of head of household, 2013



Source: Authors' analysis of 2013 SCF.

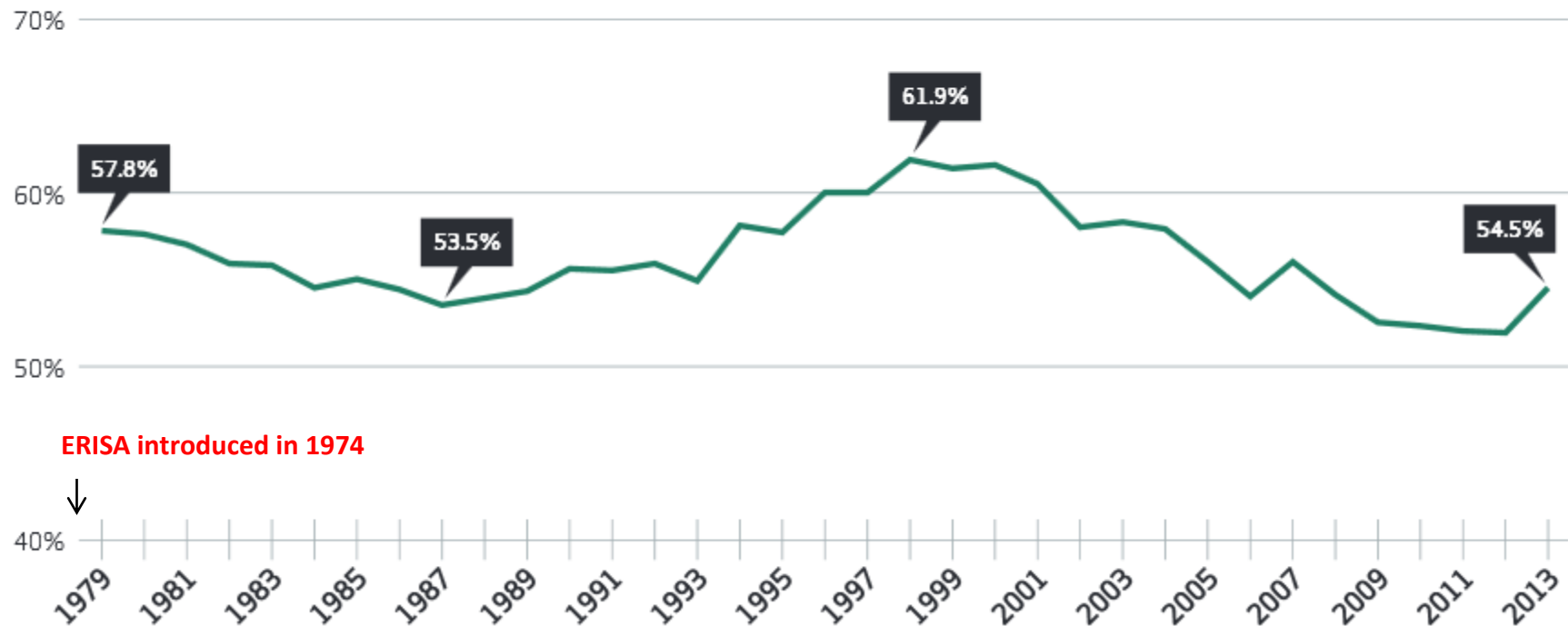
Source: NIRS, ["The Continuing Retirement Savings Crisis"](#)

Access to Workplace Savings Plans Static Over 30+ Years

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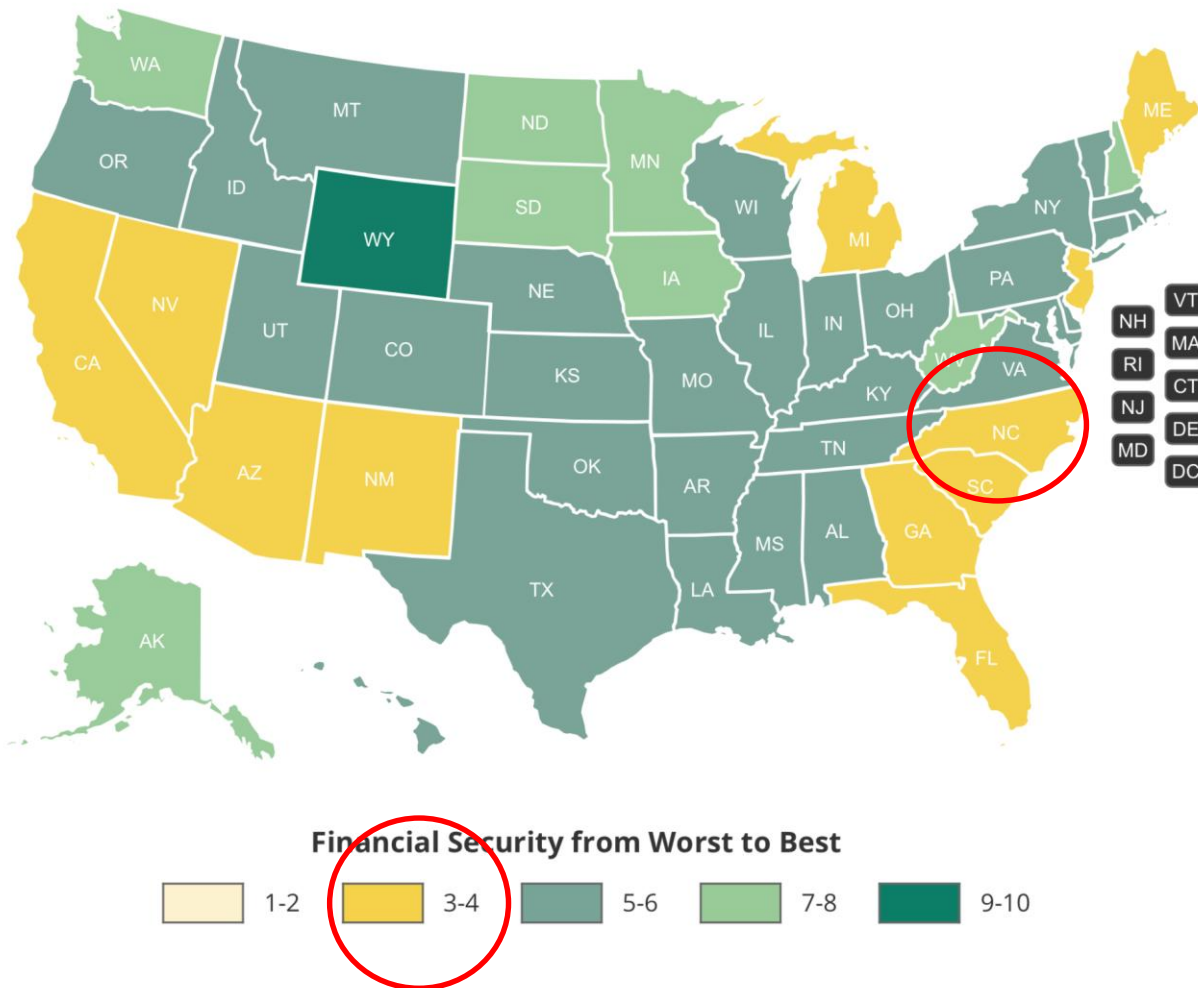
Only 55 Percent of Private Sector Workers Have Access to a Retirement Plan at Work

Private sector wage and salary workers age 25-64 whose employers sponsor a retirement plan, 1979-2013



North Carolina's Financial Security Scorecard Ranking

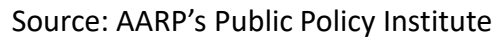
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The scorecard is measured through:

- ❖ Potential retirement income
- ❖ Major retiree costs
- ❖ Labor market conditions for older

In relation to other states, North Carolina scored **below average** on potential economic pressures facing future retirees, and there is still significant room for improvement.



North Carolina

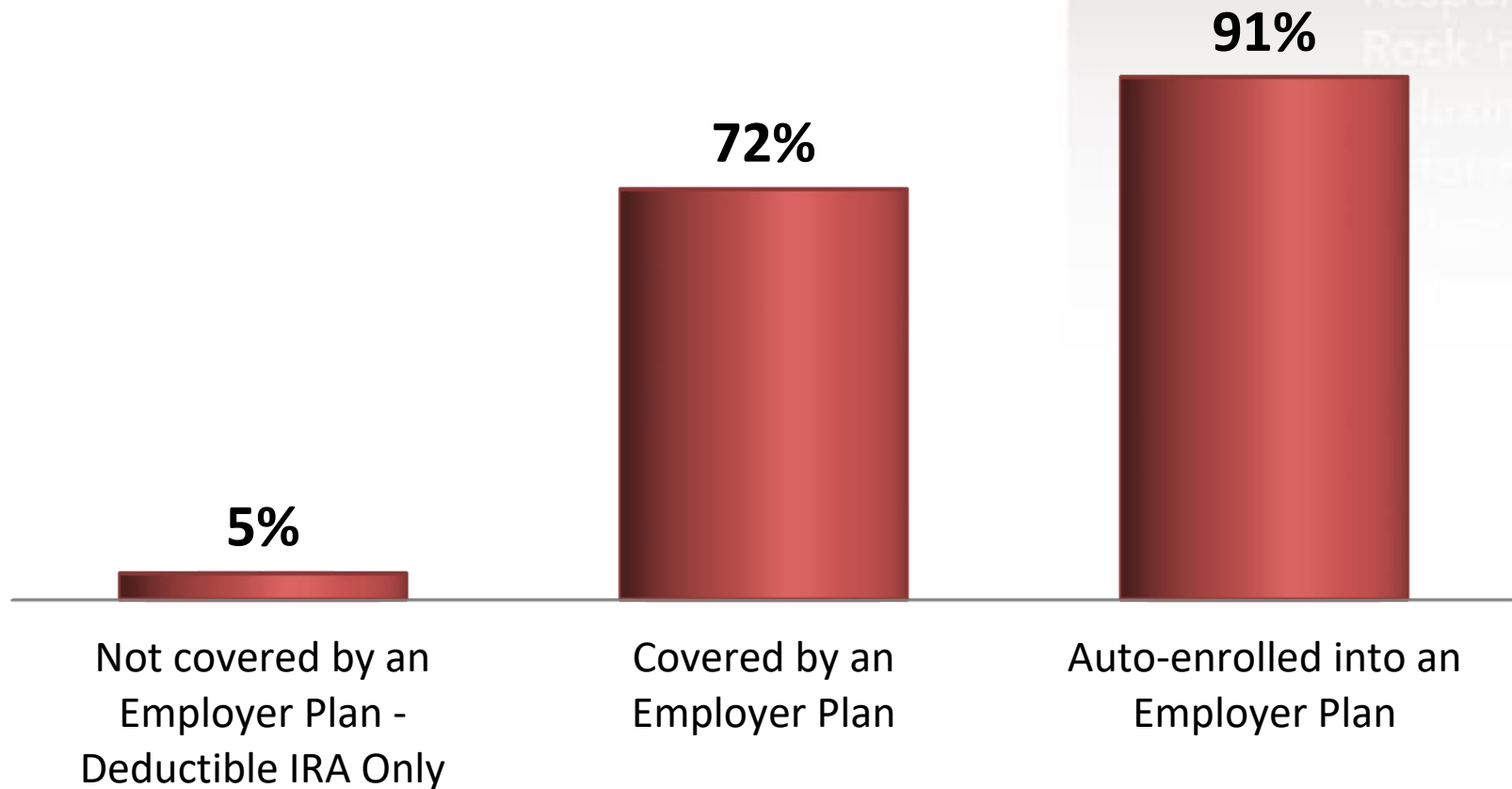
About 53% of North Carolina's private sector workers, roughly **1,716,000 people**, don't have a way to save for retirement out of their regular paycheck.



Source: [AARP's Public Policy Institute](#)

Can't People Already Save if they Want to?

Participation Rates



Data compiled by AARP's Public Policy Institute from unpublished estimates from the Employee Benefit Research Institute of the 2004 Survey of income and Program Participation Wave 7 Topical Module (2006 data). See also Brookings' Retirement Security Project, and WhiteHouse.gov. Automatic enrollment data estimates provided by [Vanguard](#).

Program Design Features

Automatic Enrollment – Employees are 15 times more likely to save for retirement when they have access to a way to save at work, and 20 times more likely when they are automatically enrolled.

Voluntary – By allowing employees the choice to opt-out at any time, the program is completely voluntary and participants have full control over their participation.

Portability – Employees take their retirement savings with them when they leave a job.

North Carolina Budget Savings

Fact Sheet: North Carolina

North Carolina Could Save \$127 Million by Helping People Save for Their Own Retirement

William Shiflett and Catherine Harvey
AARP Public Policy Institute

When individuals save for retirement they are less likely to rely on public assistance programs later in life. State-facilitated retirement savings plans for small-business employees would help people save more for retirement and, in turn, save significant taxpayer dollars for programs like Medicaid, Supplemental Security Income, the Supplemental Nutrition Assistance Program, and housing assistance. More than 30 states are considering creating retirement plans for private-sector workers whose employers do not already offer one. New research finds that North Carolina would save \$127 million on public assistance programs between 2018 and 2032 if lower-income retirees save enough to increase their retirement income by \$1,000 more per year.

A National Movement: 2013

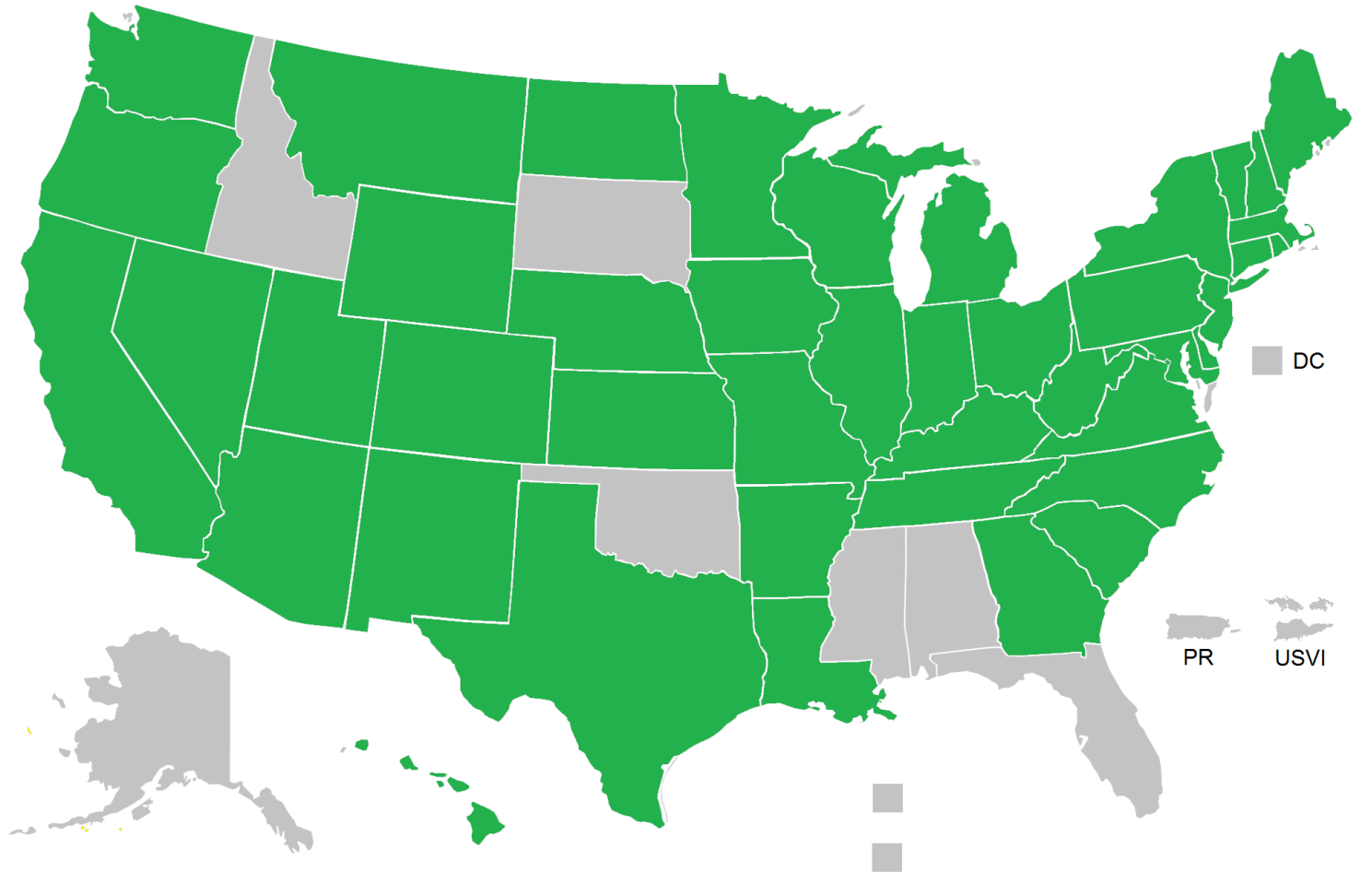
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Responsible
Rollin' & Rollin'
Rolling
Romantic



A National Movement: 2019

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Richer
Rewarding

Finance
Possible
K'n' Roll
King
World



National Context

2012: **Massachusetts** passed MEP for non-profits, **California** feasibility study

2013: **Oregon** passed study of retirement security

2014: **Minnesota** and **Connecticut** each passed a feasibility study

2015: **Illinois (D), Oregon (D) and Washington (D)** Governors sign new laws

2016: **New Jersey (R), Maryland (R), Connecticut (D) and California (D)**
Governors sign new laws

2017: **Vermont (R)** signs bill into law. **Oregon** goes live.

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Relaxing
Reforming

National Context (continued)

2018: **New York (D)** signs bill into law. **Virginia (R)**, **Wyoming (R)**, and **Kansas (R)** pass studies. **Illinois** and **California** went live.

2019: **Maryland**, **Vermont**, and **Connecticut** working towards going live next year. **New York** and **New Jersey** (passed auto IRA) working towards implementation. **Arkansas** and **Colorado** passed feasibility studies. **Idaho** and **Indiana** passed studies, while **Maine** and **North Carolina** enacted task forces. **New Mexico** enacted implementation plan/study.

OregonSaves: A Program's Success

The screenshot shows the OregonSaves website. At the top is a navigation bar with links: Home, Employers, Savers, Overview, and Contact Us. Below the navigation bar is a large banner with a scenic Oregon landscape. The banner features the text "Work Hard. Save Easy." in a large, white, sans-serif font. Below this, in a smaller font, it says "OregonSaves gives Oregonians an easier way to save for retirement." The main content area is divided into two columns. The left column has the heading "We need an easier way to save for retirement" and a video player titled "Find Out How OregonSaves Works" showing icons for a shopping cart, a car, and a person, with a "Roth IRA" icon at the bottom. The right column has the heading "OregonSaves is now open for all employers" and a paragraph explaining the program's goal and ease of use. It lists two requirements: a company's EIN or TIN, and an OregonSaves access code. A green button at the bottom of the right column says "I want to enroll my business".

oregonsaves® Home Employers Savers Overview Contact Us

Work Hard. Save Easy.

OregonSaves gives Oregonians an easier way to save for retirement.

We need an easier way to save for retirement

Find Out How OregonSaves Works

OregonSaves is now open for all employers

If you're ready to offer your employees an opportunity to save for the future, we want to help you reach that goal. OregonSaves is a simple and convenient way for workers to save in their own retirement accounts. Registration is easy! You only need two things to get started:

- Your company's Federal Employer Identification (EIN) or Tax Identification Number (TIN)
- Your OregonSaves access code, which can be retrieved by calling our Client Service team at (844) 661-1256

The result is simple: more Oregonians will save. That's good for all of us.

[I want to enroll my business](#)

- OregonSaves launched in October 2017 as the first-in-the-nation auto IRA state retirement savings program. The program is now fully self-supporting.
- With more than \$42 million saved and more than 66,000 funded accounts, the program is helping Oregonians of all different income levels save their own money and prepare for a more secure retirement.

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Reforming
Rebels

Questions?

Sarah Mysiewicz Gill
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State Financial Security & Consumer Affairs
AARP
(202) 434-3756
smysiewicz@aarp.org

Additional Resources:

AARP's Public Policy Institute State Retirement Savings Resource Center
<http://www.aarp.org/ppi/state-retirement-plans/>

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Relaxing
Reclaiming
Retirement